

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0417P

Adjusted Gross Income Tax
Calendar Years 1996, 1997, and 1998

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ISSUE(S)

I. **Tax Administration**—Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is an Indiana corporation headquartered out of state. Taxpayer has an Indiana location that manufactures and markets its products. Upon audit it was discovered that the taxpayer failed to include its entire Indiana payroll in the apportionment factor.

I. **Tax Administration**—Penalty

DISCUSSION

Taxpayer was assessed a negligence penalty for failure to include all of its Indiana wages in the payroll apportionment factor.

Taxpayer, at hearing, states there is only one issue and it paid tax to Michigan and Ohio originally. Taxpayer further states that it has never avoided paying its taxes and the taxes resulted from a misinterpretation of how to treat wages in the State Apportionment process. After the audit, it filed amended returns with the two states.

Taxpayer, however, is incorporated and located in Indiana. Corporate offices should have made itself aware of the tax laws in the State of Indiana.

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FINDING

Taxpayer's protest is denied.

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